

Call for Papers

THE EFFECT OF IMPERFECT TRADING ON SECURITY PRICES

On May 13 and 14, 2005, the National Bureau of Economic Research will hold a Universities' Research Conference in Cambridge, Massachusetts on "The Effect of Imperfect Trading on Security Prices".

CONFERENCE ORGANIZATION

The program is being organized by Professor Darrell Duffie of Stanford University and NBER, and Professor Owen Lamont of Yale University and NBER. The program will consist of eight or nine papers with formal discussants for each paper. There will be no published proceedings, but the conference will be summarized in the NBER *Reporter*.

CONFERENCE THEME

The theme is security pricing in the presence of illiquidity induced by trading and information frictions. Pertinent topics include short-sale constraints, search for counterparties, and other institutional limits on liquid trading, and the effects of these trading imperfections on asset prices, trading volume, and the transmission of information. Relevant work could include the implications for asset pricing of the manner of trading of specific types of investors, such as hedge funds, mutual funds, other institutional investors, and individual investors, as well as how traders adapt to or exploit illiquidity and trading frictions. The focus is not on microstructure issues per-se, but rather on how such issues affect the levels of securities prices or investment behavior.

SELECTION PROCESS

In keeping with the Bureau's tradition, priority will be given to empirical research or theoretical work with direct empirical applications. We encourage submissions from researchers early in their careers and also from non-NBER affiliates.

Participants will be selected on the basis of papers or abstracts of about 500 words, with a strong preference for papers. Any research that will not be published at the time of the conference can be submitted. The deadline for submissions is February 4, 2005. Authors chosen to present papers will be notified by the beginning of March. Final drafts of the papers will be due at the NBER on April 20. The NBER will pay the domestic travel and hotel expenses for one author per paper and for discussants at the conference.

Please email your submissions to: confer@nber.org in a pdf, Word or WordPerfect file. U.S. paper format only please. Please indicate 'Universities' Research Conference, May 2005' in the subject heading.

You may also send two copies of your abstracts or papers to the following address:

**Professor Darrell Duffie
Professor Owen Lamont
National Bureau of Economic Research
1050 Massachusetts Avenue
Cambridge, MA 02138**